



**PROFESSIONAL  
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**DATE:** March 5, 2012  
**TO:** Connecticut Joint Insurance Committee  
**FROM:** James R. Berliner, CPCU  
President, Professional Insurance Agents of Connecticut Inc.

**FTR**

**RE: OPPOSITION TO RAISED S.B. 318**

I am writing on behalf of the Professional Insurance Agents of Connecticut Inc. an association representing more than 500 member professional, independent insurance agents who employ over 3,500 people throughout the state. We write to **oppose** raised S.B. 318, which seeks to prohibit insurers from offering single limit of liability automobile liability insurance policies for passenger motor vehicles.

This bill would, for no clear benefit, restrict an insurance purchaser's freedom of choice with regard to the type of coverage available to an automobile insurance purchaser, and also would diminish many drivers' additional coverage options. This bill would have the likely effect of increasing underinsured motorist claims and reduce the amount of coverage available for people injured in accidents.

#### **Underinsured motorist claims**

Imagine a hypothetical driver who has a policy with limits of \$100,000 per person/\$300,000 per accident/\$50,000 property damage (limits which happen to be the most common coverage breakdown in the state). He or she is in an at-fault accident; the other driver is the sole occupant of the car and suffers \$200,000 of injuries and \$50,000 of property damage. The at-fault driver's policy will only pay \$150,000. In this example, the injured driver would need to make a \$100,000 underinsured motorist claim against his own policy. If the same driver had a single-limit \$300,000 policy, the full \$250,000 would be paid by the insurance company. A combined-single-limit policy does not cap an injured motorist's recovery in the way that a split-limit policy does; it is more flexible and more responsive and allows coverage to be focused on the single biggest exposure to loss, injury to an individual driver.

#### **Diminished coverage opportunities**

Many insurance carriers require a prospective umbrella policy purchaser to carry a minimum amount of underlying auto coverage, often \$300,000 in order to qualify for the umbrella policy. This requirement can be met with a combined-single-limit policy of \$300,000. A comparably-priced, split-limit policy of \$100,000 per person/\$300,000 per accident/\$100,000 property damage would not qualify. This bill, if enacted, would remove a purchaser's ability to cost effectively access additional coverage options, for no apparent reason.

#### **Not consumer friendly**

Because a split-limit policy caps the amount available for bodily injury per person, a split-limit policy will offer less bodily injury coverage than a combined-single-limit policy in accidents where one person is injured. Combined-single-limit policies also make it easier for an insurance purchaser of typical sophistication to simply understand the extent of their coverage and to purchase coverage that best fits their needs.

This bill has significant anti-consumer effects, with no cognizable benefit to the Connecticut insurance-purchasing public. For the reasons articulated herein, we respectfully urge the committee to reject this proposal.